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The Daily Summary

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3.5(c) **ARGENTINA:** The US embassy concludes that the chances of a military takeover have greatly increased. (Page 1)

Embassy Sees Ominous Situation in Argentina

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The US embassy in Buenos Aires, in an assessment prepared just before the latest skirmish between the Argentine armed forces and presidential adviser Lopez Rega, has concluded that the country is entering a period of trouble unequalled in its modern history. The embassy said that President Mara Estela Peron is not likely to last out the year and that the chances of a military takeover have greatly increased.

The military, according to the embassy, is the lone obstacle to absolute power for Lopez Rega.

- Peronist politicians in Congress capitulated to Mrs. Peron and Lopez Rega on the issue of presidential succession by leaving a key Senate post vacant. The immediate successor to the President is now Chamber of Deputies leader Raul Lastiri, Lopez Rega's son-in-law. This maneuver dissipated any hope that Congress would take a strong stand in blocking Lopez Rega's efforts to acquire more power for Mrs. Peron and himself.
- Labor leaders feel obliged to mask their opposition to Lopez Rega, fearing that open opposition to the President's wishes would alienate rank-and-file unionists.
- Opposition parties will do little more than make loud protests about Lopez Rega. They believe that if the military is encouraged to take over, their chances of competing with the Peronists at the polls for political power will disappear.

Because most of the civilian power blocs have caved in under pressure from Lopez Rega, only the military remain in a position to stop him. Lopez Rega has already opened a drive to neutralize this threat.

The embassy said the key question is whether Lopez Rega will be able to consolidate his power before the army throws him out. The odds seem heavily stacked in favor of military action, since Lopez Rega's continued dominance threatens Argentina with economic bankruptcy and political chaos.

As the situation deteriorates, the armed forces are gradually losing their reluctance to reenter the political arena. As Lopez Rega moves to bend the military to his will, military plotting against him becomes more certain.

According to the embassy, Lopez Rega is clearly running the government and is winning the game of political intrigue so far, but he seems to have little administrative ability. Both the President and her confidant are failing miserably at running the country. Violence is rising, the economy is sinking fast, corruption is rampant, and any pretense of political consensus has evaporated.

Lopez Rega's ascendancy is unlikely to have an immediate effect on US-Argentine relations. The exception would be a possible last-ditch bid to make the US the scapegoat for the country's economic difficulties.

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